Supreme Court, U.S.
FILED
OCT 6 - 2006
OFFICE OF THE CLERK

No. 06-338

In the
Supreme Court of the United States

CATHERINE LACAVERA,
Petitioner,

v.

JONATHAN W. DUDAS, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, PATENT AND TRADEMARK OFFICE
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF *AMICUS CURIAE* FOR THE COALITION OF SERVICE INDUSTRIES, INC., IN SUPPORT OF PETITIONER

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October 2006

TABLE OF CONTENTS

Page

Table of Authorities.....ii

Brief *Amicus Curiae* of the Coalition of Service Industries.....1

I. THE INTEREST OF THE *AMICUS CURIAE*.....1

II. SUMMARY OF ARGUMENT.....3

III. ARGUMENT.....5

A. Supplying American Legal Services Abroad Is of Substantial Value to the Nation's Legal Community and Economy.....5

B. Supplying American Legal Services Abroad Is an Important Issue in Pending Treaty Negotiations.....6

C. If Allowed To Stand, the Decision Below Is Likely To Adversely Affect U.S. Efforts To Obtain Further Liberalization in Trade in Legal and other Services.....8

IV. CONCLUSION.....10

TABLE OF AUTHORITIES

Page(es)

Treaties, Regulations and Rules:

Australia, Revised Service Offer (May 26, 2005), http://www.uscsi.org/wto/ 8

Collective Request-Legal Services, March 2006, 1. Introduction, http://www.uscsi.org/wto/crequests.htm 7, 8

EU's Conditional Revised Offer (2005), http://www.uscsi.org/wto/ 9

GATS 2000, Request from the EC and Its Member States, Professional Services, EC Request to the United States of America, A. LEGAL SERVICES, (March 2003), http://www.gatswatch.org/requests-offers.html#outgoing 9

General Agreement on Trade in Services, Article XVII, http:// www.wto.int/english/docs_e/legal/26-gats.pdf 3

Trade Policy Staff Committee; Public Comments for Mandated Multilateral Trade Negotiations on Agriculture and Services in the World Trade Organization (WTO) and Priorities for Future Market Access Negotiations on Non-Agricultural Goods, Notice and Request for Comments, 65 F.R. 16450 (2000) 7

Miscellaneous:

Coalition of Service Industries, Services Drive Growth, Recent CSI Events, http://www.uscsi.org/meetings/ 1

Martindale-Hubbell Law Directory 2006 5

"Services Liberalization in the Doha Round: US Industry Priorities", http://www.uscsi.org/meetings/.....2

Summary of U.S. Request Respecting Legal Services (March 2003), http://www.abanet.org/cpr/gats/us_request.doc 7

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U.S. Hopes Central American Trade Pact Takes Effect "Very Soon", http://usinfo.state.gov/wh/Archive/2006/Jun/05-961219.html.....8

USTR Portman Prepares Congress for OMAN Deal (March 31, 2006), http://www.texasfairtrade.org/article.php?story=20060331093406816&mode=print.....8

Brief *Amicus Curiae* of the Coalition of Service Industries, Inc.

I. THE INTEREST OF THE *AMICUS CURIAE*

The Coalition is an incorporated non-profit membership association organized under and existing pursuant to the laws of the District of Columbia.[1] It is an advocacy organization dedicated to the reduction of barriers to U.S. services exports including legal services, and to the development of constructive domestic U.S. policies to enhance the global competitiveness of its members. Since its formation in 1982 the Coalition has worked with and offered advice on trade issues to U.S. government agencies such as the Office of the United States Trade Representative ("USTR") and the Departments of Commerce and Treasury.[2]

Robert Vastine, President of the Coalition since 1996, previously served in various Congressional staff posts and as Deputy Assistant Secretary of the Treasury for International Trade and Raw Materials Policy. He has authored many publications on U.S. trade policy. He chairs the official Industry Trade Advisory Committee for International Trade in Services and chaired its pre-2004 predecessor, Industry Sector Advisory Committee 13. Representatives of Coalition members, including members of its Legal Services Committee, also have experience on

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1 All parties have consented in writing to the filing of this brief. No counsel for a Party authored any part of the Brief. No person other than the Coalition, its members or counsel made a monetary contribution to its preparation or submission.

2 A chronology of CSI interaction with government agencies from April 2003 to 2006 appears at Services Drive Growth, Recent CSI Events, http://www.uscsi.org/meetings/.

these advisory committees. At almost monthly meetings the committees receive briefings from USTR and other agencies respecting progress and foreign objections in their negotiations and provide recommendations to them on how to meet the objections and on affirmative industry goals.

With the Department of Commerce, the Coalition has co-sponsored annual symposia on the progress and goals of the negotiations.[3] It cooperates with like-minded private sector organizations such as the European Services Forum and the Australian, Brazilian, Canadian, Chilean, Hong Kong and Japanese services organizations.

The Coalition and its members thus have a unique basis within the private sector to address the importance of the Questions Presented. The Coalition views the United States Patent and Trademark Office ("USPTO") rule excluding legally admitted non-immigrant aliens from full registration before the patent bar as a probably significant obstacle to negotiating more liberal rules for trade in legal and possibly other services in ongoing U.S. negotiations in the World Trade Organization and in other multilateral and bilateral negotiations.

The Coalition has the same interest in the Questions Presented in pending petitions in *Caroline Wallace and Emily Maw v. Paul Calogero, Jr., et al.* and *Karen Leclerc, et al. v. Daniel E. Webb, et al.*, Nos. 05-1645 & 06-11. In those cases the Coalition has filed a Motion for Leave To File a Brief *Amicus Curiae* and Brief *Amicus Curiae*. The

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[3] For example, the January 12, 2005, symposium, held in the Main Auditorium of the Department of Commerce, was entitled "Services Liberalization in the Doha Round: U.S. Industry Priorities", http://www.uscsi.org/meetings.

Coalition's brief in those cases and this brief address only the importance of the Questions Presented.

II. SUMMARY OF ARGUMENT

The USPTO rule at issue here discriminates on the basis of nationality against foreigners legally resident in this country.[4] Americans, permanent resident aliens, and foreigners living abroad can fully practice in the patent bar. Legally admitted temporary resident aliens cannot. The rule runs counter to the growing trend in international relations not to discriminate on the basis of nationality. United States trade negotiators support that trend, convinced that our country will benefit from it.

The U.S. has for example asked many other nations not to discriminate against American lawyers who provide or wish to provide legal services in foreign countries. Because reciprocity plays a large role in trade negotiations, the USPTO rule adversely affects our legal community in the several important trade negotiations that are currently underway or planned.

While the backlash will focus on legal services, it could prejudice our negotiations in other sectors as well. In any event, the direct monetary value of American legal services provided abroad is itself substantial. Moreover, of even greater value are the investments and commercial transactions that American businesses are likely to make

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[4] "National Treatment" means that each WTO Member "shall accord to services and service suppliers of any other Member, in respect of all measures affecting the supply of services, treatment no less favorable than it accords to its own like services and suppliers." General Agreement on Trade in Services, Article XVII, http://www.wto.int/english/docs_e/legal_e/26-gats.pdf.

abroad if they can obtain assistance from American lawyers and law firms whom they know and trust.

Expansion of our foreign trade is of large national importance. As the Associated Press reported on July 11, 2006, newly appointed Secretary of the Treasury Henry Paulson pledged "to make sure the country does not retreat from the global economy", remarking that "the strength of the U.S. economy is linked to the strength of the global economy." He cautioned that "If we retreat from the global stage, the void is likely to be filled by those who do not share our commitment to economic reform." He added that he planned to expand trade and investment.

Few aspects of supplying American legal services to foreign nations are protected by treaty, and they are vulnerable to domestic protectionist elements that try to exploit the discrimination inherent in the USPTO rule. Some nations already affirmatively prohibit or substantially constrain the provision of American legal services and preclude foreign members of their bars from practice before their patent offices. The ongoing treaty negotiations could, if successful, gain treaty protection for existing practices and open up markets that are closed.

There thus is an important national interest at stake in whether the USPTO rule will be allowed to stand. That interest argues strongly for review by this Court.

III. ARGUMENT

A. Delivery of American Legal Services Abroad Is of Substantial Value to the Nation's Legal Community and Economy

The value of cross-border exports of U.S. legal services has increased for many years and stood at $3.9 billion for 2004, while cross-border imports declined to $754 million. For 2003, the latest year for which relevant data are available, the value of legal services provided to foreigners by U.S. law firm offices abroad was $1.1 billion.[5] Today at least 107 U.S.-based law firms have an aggregate of at least 460 foreign offices.[6] Accordingly, the United States, and U.S. lawyers and law firms, have a substantial monetary interest in exports of legal services.

The experience of the Coalition and its members indicates that many of the consumers of such services are U.S. entities doing business abroad. They generally prefer to receive legal assistance from firms with which they are familiar, firms that are knowledgeable about U.S.-law aspects of what they are doing and what they are constrained from doing.[7] Thus U.S. based law firms

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[5] United States Department of Commerce, Bureau of Economic Analysis, October 2005 Survey of Current Business, U.S. International Services; Cross-Border Trade in 2004 and Sales Through Affiliates in 2003, at 25, 28, 30, 40, 45-46,75, http://bea.gov/bea/pub/1005cont.htm

[6] These figures are based on a review of Martindale-Hubbell Law Directory 2006 listings for San Diego, San Francisco, and Los Angeles, California, New York, New York, and Washington, D.C. Though incomplete, the figures probably suggest the magnitude of U.S. law firms' current and potential future foreign operations.

[7] *See, e.g.*, Collective Request-Legal Services, March 2006, 1. Introduction, http://www.uscsi.org/wto/crequests.htm "In addition

substantially facilitate the making of foreign investments, innovation and technology transfer, and the conduct of business abroad, as well as compliance with applicable constraints imposed by U.S. law. In view of the magnitude of foreign investments and transactions for which U.S. lawyers and firms provide legal services, the importance of exports of legal services to the U.S. economy is far greater than the dollar value of those services themselves, although harder to quantify.

B. Delivery of American Legal Services Abroad Is an Important Issue in Pending Treaty Negotiations

USTR has recognized the importance of exporting legal services in its trade negotiations for many years. The starting point for such negotiations is the fact that American lawyers and law firms enjoy few treaty rights to establish offices and to practice U.S. or local domestic law abroad. It was not until the Uruguay Round Agreements of 1994 that services were addressed in negotiations conducted under the auspices of the General Agreement on Tariffs and Trade, established in 1947. The Uruguay Round Agreements include the General Agreement on Trade in Services ("GATS") and established the World Trade Organization ("WTO") as the institutional successor to GATT.

In recognition that it had achieved very limited liberalization in services, GATS called for the reopening of services negotiations beginning in 2000. USTR began public preparations for renewed negotiations with a Federal

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to contributing to a business-friendly environment for investment, greater foreign investment is encouraged if host-country regulatory systems permit investors to have access to their own legal advisers."

Register notice and request for comments on objectives on March 28 of that year.[8] USTR continues to pursue those negotiations today, as part of what is known as the Doha Round. In this context the Coalition has continued to work closely with U.S. negotiators[9] and foreign private-sector interests to bring about significant liberalizations of legal services among others.

WTO negotiations involve both requests for and offers of liberalization. In March 2003 the U.S. requested the developed-nation Members of the WTO to afford broad rights to U.S. lawyers and law firms to practice U.S. law including international law and the right to take bar examinations in and practice domestic law on the same terms and conditions that apply to a Member's own citizens.[10] The U.S. has also joined with Australia, Canada, the EC, Japan, New Zealand and Norway in a Collective Request for similar liberalization. This request seeks among other things removal of nationality requirements and consideration of "permitting foreign lawyers, subject to satisfying domestic licensing requirements, the right to provide legal services in domestic law.[11] These requests do not anticipate amendment of the WTO treaty so as to

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[8] *See*, Trade Policy Staff Committee, Public Comments for Mandated Multilateral Trade Negotiations on Agriculture and Services in the World Trade Organization (WTO) and Priorities for Future Market Access Negotiations on Non-Agricultural Goods, Notice and Request for Comments, 65 F.R. 16450 (2000).

[9] The principal U.S. negotiators work at USTR. They cooperate with the Departments of Commerce and Treasury, in consultation with other authorities including the Department of Justice.

[10] The U.S. has not made the request public, but a summary of it appears at http://abanet.org/cpr/gats/us_gats/us_requests.doc.

[11] *See*, Collective Request-Legal Services, http://www.uscsi.org/wto/crequests.htm.

require all WTO Members to comply with them. Rather, the requests seek voluntary binding agreements by individual Members that they will afford the requested access and treatment.

USTR had known for years that agreement in the Doha Round might be delayed because of difficulties in reaching agreement in the agricultural sector. While nonetheless still actively seeking agreement in the Round, USTR has also negotiated, and is today negotiating bilateral and regional free trade agreements.[12] USTR has sought in these negotiations the same liberalized access to foreign markets for American lawyers as set forth in its Request to WTO Members and in the Collective Request.

C. If Allowed To Stand, the Decision Below Is Likely To Adversely Affect U.S. Efforts To Obtain Further Liberalization in Trade in Services, Particularly Legal Services.

Reciprocity naturally plays a large role in trade negotiations. For examples, Australia's WTO May 26, 2005, Revised Service Offer for legal services is expressly and "in particular . . . conditional upon the degree of liberalization proposed in the same sectors in the offers of other WTO Members", and the EU's Conditional Revised Offer "is conditional on other WTO Members making

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[12] *See, e.g.*, U.S. Hopes Central American Trade Pact Takes Effect "Very Soon", http://usinfo.state.gov/wh/Archive/2006/Jun/05-961219.html; *USTR Portman Prepares Congress for OMAN Deal* (March 31, 2006), http://www.texasfairtrade.org/article.php?story=20060331093406816&mode=print.

substantive offers in sectors where the EU has made requests."[13]

The USPTO rule at issue here is a matter of widespread concern among other WTO Members. *See, e.g.,* GATS 2000, Request from the EC and Its Member States, Professional Services, EC Request to the United States of America, A. LEGAL SERVICES (March 2003) (asking for removal of citizenship requirements to practice before the U.S. Patent and Trademark Office), http://www.gatswatch.org/requests-offers.html#outgoing. Obviously the U.S. is in no position to press other nations to open their patent office practices to U.S. lawyers who qualify for their bars so long as the USPTO rule stands.

The negotiating difficulties that the U.S. faces are aggravated by the lack of any demonstrated or plausible justification for the USPTO rule. Respondent has adduced no evidence, and has not even asserted that non-immigrant aliens have in fact acted improperly respecting the practice of law. Mere conjecture as to possibilities can justify a host of protectionist measures. The United States should not lend its aid to protectionist tendencies abroad.

It is also quite possible that the decision below would prejudice the U.S. in free trade negotiations in sectors in addition to the legal services sector. Protection of intellectual property rights around the world is obviously of great importance to American business enterprises. Their lack of access to relevant services of American lawyers abroad could adversely impact achieving Administration and U.S. goals of increasing America's foreign trade and investment.

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[13] http:www.uscsi.org/wto/. The public offers of many additional Members are available at this site.

IV. CONCLUSION.

The foregoing considerations respecting the importance of the Questions Presented favor issuance of the writ of certiorari.

Respectfully submitted,

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October 2006